



LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 189**  
Streamlining Draft **AGCSEB 44**

<b>Date:</b> January 21, 2010      3:15 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Civil Service	<b>Analyst:</b> Evelyn McWilliams
<b>Subject:</b> Pay Adjustment	

The State Civil Service Commission should not consider an employee whose annual performance review shows he or she "meets expectations" for any pay increase which purports to be based on meritorious service or performance.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Implementation of this recommendation is anticipated to result in an indeterminable decrease in state expenditures. If the Civil Service Commission adopts this recommendation, any employee whose performance rating shows he or she only meet expectations would not receive a merit or performance pay increase, which will result in a savings to state agencies. Under current rules employees whose performance is rated as meets requirements are currently eligible for a merit increase. In FY09, 19,607 employees received a "meets requirements" for their performance review. The Legislative Fiscal Office assumes that "meets expectations" is synonymous with "meets requirements". For illustrative purposes only, based on the average annual salary for a classified state employee of \$40,988, and assuming that the average merit was a 4% increase for six months, the state would save approximately \$19 million in FY10. The calculated savings also includes a reduction in retirement expenses. The savings would impact any available state means of financing.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	<b>H. Gordon Monk</b> <b>Legislative Fiscal Officer</b>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	